

UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF CALIFORNIA

KORY T. O'BRIEN,

Plaintiff,

v.

CALIFORNIA DEPARTMENT OF  
CORRECTIONS, et al.,<sup>1</sup>

Defendants.

No. 2:23-cv-1112 DJC CSK P

FINDINGS AND RECOMMENDATIONS

I. INTRODUCTION

Plaintiff is a state prisoner, proceeding pro se. Plaintiff's fully briefed motion to reinstate this case is before the Court. The Court recommends that plaintiff's motion be denied.

II. BACKGROUND

On September 26, 2024, Magistrate Judge Dennis M. Cota held a settlement conference by Zoom, during which the parties reached a settlement. (ECF No. 29.) Judge Cota read the terms of the settlement on the record to which the parties agreed. (ECF No. 34.) The parties entered into a stipulation of dismissal with prejudice, and this action was terminated on October 15, 2024. (ECF No. 31.)

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<sup>1</sup> Plaintiff's original complaint named the "California Department of Corrections" as the lead defendant. (ECF No. 1.) However, the proper title is "California Department of Corrections and Rehabilitation," which is known by the acronym "CDCR."

1 On April 24, 2025, plaintiff filed a “Motion for Reinstatement,” in which he seeks to  
2 reinstate this civil rights action under 18 U.S.C. § 3626, in light of defendants’ purported breach  
3 of the settlement of this action. (ECF No. 32.) Plaintiff claims he did not receive payment of the  
4 settlement proceeds within the 160 days allowed for such payment. (Id. at 1.) Plaintiff’s motion  
5 was signed on April 21, 2025. (Id. at 3.)

6 On May 15, 2025, defendants filed an opposition, claiming that the parties agreed that  
7 payment of the settlement proceeds could take up to 180 days, and the 180 day time frame began  
8 when plaintiff completed and returned all necessary settlement paperwork to counsel for  
9 defendants, which took place on October 8, 2024. (ECF No. 36 at 2; 36-1 at 12.) In addition,  
10 pursuant to the settlement agreement, defendant CDCR agreed to make a good faith effort to  
11 accomplish payment within the 180 day time frame, which expired on April 6, 2025. (ECF No.  
12 36 at 2-3; 36-1 at 9) The stipulated dismissal was filed on October 11, 2024, and settlement  
13 documents were sent to CDCR for processing on the same day. (ECF No. 36 at 2.) On April 10,  
14 2025, plaintiff was issued payment of the \$1,500 settlement proceeds, which deposited into his  
15 trust account on April 17, 2025. (Id.; ECF No. 36-1 at 2, 23-25.) Defendants also provided  
16 copies of the Settlement Agreement and Release (ECF No. 36-1 at 8-11), and the transcript of the  
17 September 26, 2024 settlement proceedings (id. at 15-21).

18 On June 2, 2025, plaintiff filed a reply, arguing he is entitled to sanctions or the  
19 reinstatement of this action because the settlement agreement was not mailed to plaintiff as  
20 agreed upon by the parties, adding another ten days to the delay, and defendants admit that they  
21 exceeded the 180 payment deadline by 11 days. (ECF No. 37 at 3.) Plaintiff contends this delay  
22 constitutes bad faith by delaying or hampering a court order, and if the Court declines to reinstate  
23 the case, it should award sanctions under its inherent authority. (ECF No. 37 at 2-3.)

### 24 III. PRIVATE SETTLEMENT AGREEMENTS

25 Section 3626(c) of the Prison Litigation Reform Act (“PLRA”) provides:

26 Settlements.--

27 (1) Consent Decrees.--In any civil action with respect to prison  
28 conditions, the court shall not enter or approve a consent decree  
unless it complies with the limitations on relief set forth in subsection

1 (a).

2 (2) Private Settlement Agreements.--(A) Nothing in this section shall  
3 preclude parties from entering into a private settlement agreement  
4 that does not comply with the limitations on relief set forth in  
5 subsection (a), if the terms of that agreement are not subject to court  
6 enforcement other than the reinstatement of the civil proceeding that  
7 the agreement settled.

8 (B) Nothing in this section shall preclude any party claiming that a  
9 private settlement agreement has been breached from seeking in  
10 State court any remedy available under State law.

11 18 U.S.C. § 3626(c). See also 18 U.S.C. § 3626(g)(6) (defining “private settlement agreement”  
12 as “an agreement entered into among the parties that is not subject to judicial enforcement other  
13 than the reinstatement of the civil proceeding that the agreement settled.”).

#### 14 IV. SETTLEMENT TERMS

15 The Court reviewed the terms of the settlement placed on the court record and specifically  
16 set forth in the written settlement agreement and release signed by the parties. (ECF No. 36-1 at  
17 8-11, 15-21.) Essentially, the agreement provided for payment of \$1,500.00 in exchange for  
18 plaintiff’s release of all claims against the defendants. (Id.) The court transcript reflects that  
19 “[p]ayment can take up to 180 days.” (ECF No. 36-1 at 18.) The settlement agreement and  
20 release states, in pertinent part, that the

21 CDCR will make a good faith effort to pay the settlement amount . .  
22 . within 180 days from the date plaintiff delivers to defendants a  
23 signed settlement agreement, a notice of voluntary dismissal with  
24 prejudice, and all of the required payee data forms. Plaintiff  
25 understands that payment may be delayed by the lack of a State  
26 budget, a funding shortfall despite a State budget, the processing  
27 efforts of the State Controller’s Office, and other events not  
28 attributable to defendants or CDCR. Unless expressly stated  
otherwise, no interest shall be paid on the settlement amount.

(ECF No. 36-1 at 9.) The record confirms that all parties agreed to the terms of the settlement on  
the record.

#### 25 V. PLAINTIFF’S MOTION TO REINSTATE

##### 26 A. Governing Standards

27 Courts have the authority to enforce a settlement agreement when the court has retained  
28 jurisdiction to enforce the agreement. In re City Equities Anaheim, Ltd., 22 F.3d 954, 957 (9th

1 Cir. 1994). “The interpretation of a settlement agreement is governed by principles of state  
2 contract law. This is so even where a federal cause of action is ‘settled’ or ‘released.’” Botefur v.  
3 City of Eagle Point, Or., 7 F.3d 152, 156 (9th Cir. 1993) (citations omitted). Once a party enters  
4 into a binding settlement agreement, that party cannot unilaterally decide to back out of the  
5 agreement. See Doi v. Halekulani Corp., 276 F.3d 1131, 1141 (9th Cir. 2002).

6 A party can rescind a contract under California law if the party’s consent “was given by  
7 mistake, or obtained through duress, menace, fraud, or undue influence, exercised by or with the  
8 connivance of the party as to whom he rescinds, or of any other party to the contract jointly  
9 interested with such party.” Cal. Civ. Code § 1689. “One seeking rescission on account of fraud  
10 must be actually deceived by misrepresentation of a material fact and the other party must have  
11 intended to deceive by a misrepresentation of such material fact. Further, the party seeking to  
12 rescind must rely upon the fraudulent representation to his injury and damage before he can have  
13 the contract rescinded.” Contra Costa Cnty. Title Co. v. Waloff, 184 Cal. App. 2d 59, 65 (1960).

14 “Under California law, [a] settlement agreement is a contract, and the legal principles  
15 which apply to contracts generally apply to settlement contracts.” Ashker v. Newsom, 968 F.3d  
16 939, 944 (9th Cir. 2020) (alteration in original; citations, footnotes, and quotation marks omitted).  
17 “[T]he elements of a cause of action for breach of contract are (1) the existence of the contract,  
18 (2) plaintiff’s performance or excuse for nonperformance, (3) defendant’s breach, and (4) the  
19 resulting damages to the plaintiff.” Oasis W. Realty, LLC v. Goldman, 51 Cal. 4th 811, 821  
20 (2011).

#### 21 B. Discussion

22 Here, defendants provided evidence that the \$1,500.00 settlement proceeds were deposited  
23 in plaintiff’s trust account statement on April 17, 2025. (ECF No. 36-1 at 2, 25.) Plaintiff did not  
24 rebut the evidence he was paid the \$1,500.00 settlement proceeds. Rather, plaintiff now objects  
25 that defendants breached the settlement agreement based on the initial delay in forwarding  
26 paperwork to him and on the 11 day delay in receipt of the settlement proceeds, relying on  
27 Sanchez v. Klemm, 2025 U.S. Dist. LEXIS 19715, at \*1 (W. Dist. Pa. Feb. 3, 2025). (ECF No.  
28 37 at 3-4.)

1 On June 25, 2024, the Third Circuit concluded that, although a district court lacks  
2 authority to enforce the terms of a private settlement agreement, the PLRA permits reinstatement  
3 of an underlying civil case in response to an alleged breach. Sanchez v. Klemm, 2024 WL  
4 3160362, at \*1 (3d Cir. 2024). The Third Circuit reversed the district court's denial of the  
5 prisoner's motion to reinstate and remanded the case for further proceedings. Id. at \*3. On  
6 remand, in the case upon which plaintiff relies, the magistrate judge recommended that the case  
7 be reinstated. Sanchez v. Klemm, 2025 U.S. Dist. LEXIS 19715, at \*1 (objections and reply  
8 pending as of July 20, 2025).

9 The Court finds Sanchez inopposite. In this case, the settlement judge specifically  
10 retained jurisdiction to enforce the settlement agreement. (ECF No. 34 at 5-6; 36-1 at 19-20.)  
11 Therefore, plaintiff is not entitled to reinstatement of his action under 18 U.S.C. § 3626(c). To the  
12 extent plaintiff seeks to enforce the settlement agreement, the motion fails because he has been  
13 paid the settlement proceeds.

14 As for delays, plaintiff's motion provides no basis for rescinding the settlement  
15 agreement. He alleges no fraud or other circumstance showing rescission is available under Cal.  
16 Civ. Code § 1689. Further, the brief delays cited by plaintiff, standing alone, constitute  
17 negligence at most, and do not support plaintiff's effort to withdraw from the settlement  
18 agreement, or his request for sanctions.

19 For all these reasons, plaintiff's motion should be denied.

## 20 VI. CONCLUSION

21 Accordingly, IT IS HEREBY RECOMMENDED that plaintiff's motion for reinstatement  
22 (ECF No. 32) be denied.

23 These findings and recommendations are submitted to the United States District Judge  
24 assigned to the case, pursuant to the provisions of 28 U.S.C. § 636(b)(1). Within fourteen days  
25 after being served with these findings and recommendations, any party may file written  
26 objections with the court and serve a copy on all parties. Such a document should be captioned  
27 "Objections to Magistrate Judge's Findings and Recommendations." Any response to the  
28 objections shall be filed and served within fourteen days after service of the objections. The

1 parties are advised that failure to file objections within the specified time may waive the right to  
2 appeal the District Court's order. Martinez v. Ylst, 951 F.2d 1153 (9th Cir. 1991).

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4 Dated: July 22, 2025

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6 CHI SOO KIM  
7 UNITED STATES MAGISTRATE JUDGE

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